

DeJesus. A similar ceremony was held in Parabiago, Italy.

The students of Theodore Roosevelt High School and of Giuseppe Maggiolini School have gone to great lengths to learn about each other. Exchanges between the two schools began in March 1992, when a group of 36 students from Giuseppe Maggiolini School came to the Bronx for a 2-week stay in the homes of Theodore Roosevelt students. This past March, 23 students from Theodore Roosevelt made a corresponding trip to the homes of Giuseppe Maggiolini students. Together the students have visited famous and historical governmental buildings, museums and other important cultural sights in Washington, Rome, New York, Milano and other cities. They have been guests of the New York Yankees at a home game, and have had an Audience with the Pope.

Mr. Speaker, the students of these two schools have learned a great deal not only from the culturally enriching excursions they have taken in each other's countries, but from the intensive contact they have had with each other during their visits. Moreover, Mr. Speaker, in teaching each other about each other, the students from these two schools have learned—and continue to learn—a great deal about themselves.

When they are not visiting with each other, the students of Theodore Roosevelt High School and Giuseppe Maggiolini School maintain continuous contact with each other through telephone calls and the exchange of letters and video tapes. The twinning of these two schools provides a very solid foundation for the continued improvement and enhancement of this special relationship.

Mr. Speaker, I hope my colleagues will join me in applauding Mr. Frank Brown, program coordinator for Theodore Roosevelt High School in the Bronx, professoressa Maria Grazia Libassi, program coordinator for Giuseppe Maggiolini School of Parabiago Italy, as well as all of the students and faculty who by their involvement in the twinning of these two schools have ventured into new frontiers of knowledge and understanding.

CAPTAIN CLINTON'S LOYALTY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. SOLOMON. Mr. Speaker, yesterday on CNN's "Inside Politics," Congresswoman PAT SCHROEDER described her assessment of the President's most recent maneuvers on the budget like this, "I think we've been left hanging out on the plank, and I have to say that I don't like it."

Well, the truth is that those Democrats who walked the plank for President Clinton have been Guiniered. You have not only walked the plank for President Clinton, you've been dumped overboard and are now paddling around in some icy waters as Captain Clinton has changed course one more time and is heading south looking for some warmer breezes for himself.

The lesson learned from last week's performance on the Guinier nomination is that two decades of being Bill Clinton's friend and supporter does not carry a lot of weight when

the President weighs his own self-interest. One does not have to agree with Professor Guinier's policies to look at how she was treated and wonder how anyone could treat its friends and allies so shabbily.

The lesson learned this week is that not only will President Clinton treat his old friends shabbily, but he expects his new Democratic friends in the Congress to come here and vote for a budget plan that he knows is bad for the country, while he reserves the right to abandon his own plan and abandon those who voted for it whenever it suits his own political convenience.

We Republicans are used to sailing under a different sort of captain. When we put someone at the helm of this ship of state we put someone who knows loyalty up is only earned by loyalty down. We would like to offer a word of advice to the Democrats. The next time you are asked to walk the plank, just remember you are following a captain who does not intend to be the last one off the ship.

CARLOS A. LORAN HONORED

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. TOWNS. Mr. Speaker, I rise today in tribute to Mr. Carlos A. Loran. Mr. Loran has been the executive director of Woodhull Medical and Mental Health Center since January 1983, when he was asked by the Health and Hospitals Corporation [HHC] to head its newest hospital. HHC knew that operating and developing a new hospital posed problems distinctly different from those encountered in directing an established institution. The administrator for a new hospital—Woodhull—would have to be a person with special qualities, and that person, is Carlos Loran.

A former captain in the U.S. Army—currently a lieutenant colonel in the Active Reserve—Mr. Loran is a take-charge person with more than a decade of service in the health care field. He began his career in health at Metropolitan Hospital's Center in 1971 as the assistant director of the hospital's mental health center. In a little over 2 years, he was appointed to associate director. Mr. Loran held this position at Metropolitan Medical Health Center for 2 years, he took a leave of absence from the municipal system to work at Booth's Memorial Hospital Center (1976-79) as the administrator of the Home Health Agency.

Mr. Loran came back to the municipal system, and to Metropolitan Hospital Center in 1979, as deputy executive director. He was in that position for less than a year when he was appointed acting executive director, barely 8 years after he had entered the health care field.

The skills for organization and administration that led to his swift ascendancy at Metropolitan were the same ones needed to direct the new Woodhull. Thanks to the guidance and direction of Mr. Loran, Woodhull Medical and Mental Health Center has grown to be the premier health care facility in northern Brooklyn.

HEAD START

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 9, 1993, into the CONGRESSIONAL RECORD:

HEAD START

A much-touted element of President Clinton's domestic program is a proposal to fund fully Head Start. Head Start is an early childhood development program that aims to give disadvantaged children, mostly aged 3 to 5, the tools necessary to succeed in school. It helps poor preschoolers combat the ills of poverty by teaching them educational and social skills, providing them with health and nutrition services, and involving parents in their development. This year more than 700,000 children will participate in Head Start.

The program has traditionally enjoyed widespread public and political support. President Bush increased Head Start funding, and President Clinton would do the same. Head Start is not controversial in Congress. However, in recent months the program has come under increased scrutiny.

BACKGROUND

Head Start has served more than 13 million children since its inception in 1965. The program targets disadvantaged children; 90% of participants must be from families at or below the federal poverty guideline or receive public assistance. The program, however, is undersubscribed. This year only one third of the poor children will participate due to parents choosing not to have their children in the program and funding constraints.

Community-based non-profit organizations and school systems administer the program through grants awarded by the federal Department of Health and Human Services (HHS). Grantees must contribute 20% of program costs from non-federal funds unless they are granted a waiver from HHS. This year Congress appropriated about \$2.8 billion for Head Start. President Clinton wants to increase Head Start funding to \$4.1 billion next year to increase participation levels and to extend the program through summer months.

Nationwide there are about 1,300 Head Start programs. They are designed to meet specific community needs, and consequently, differ in how they deliver their services. Some are center-based, while others are home-based. In general, Head Start programs operate part-day, and offer children a variety of learning experiences. Children are introduced to word and number concepts and learn how to play together. They also receive free health screening—many have never seen a doctor or dentist—and nutritious meals. Their parents participate through various activities. For example, Head Start staff will make home visits to teach parents about educational exercises that can be done at home. Most Head Start centers have adult-literacy programs as well.

HEAD START IN INDIANA

Head Start in Indiana reaches about 10,000 children each year—approximately 29% of those eligible. It is administered by 45 local programs with a statewide annual budget of \$30 million. Most programs cover more than one county. Only the counties of Hamilton, Kosciusko and Union are unserved by Head Start. I have visited many southern Indiana Head Start sites, and I am impressed by

what dedicated teachers and parents are achieving with limited resources.

PROGRAM ASSESSMENT

Recent studies give no clear verdict on the effectiveness of Head Start. Some offer positive findings. They indicate that Head Start participants, by the end of the program, are further along in terms of mental, social and emotional development and self-esteem than non-participants, and that Head Start strengthens the family's ability to help the child. There is also evidence that children participating in an enriched preschool experience are more likely to finish high school, hold a job, and avoid teen-age pregnancy and trouble with the law.

Other studies are more critical of the program. Some have found that the immediate intellectual gains made by Head Start children fade after a few years and may even disappear if there is no follow-through. Many critics believe the children would be better served in the long term by directing Head Start funding to the growing network of non-Head Start preschool programs or to public schools.

Concerns have also been raised about the management of Head Start programs. HHS has found many programs—some say as many as one third—not managed properly. Several reasons are cited for these problems. First, Head Start has expanded too quickly, without the necessary quality controls. The number of children in the program has doubled in the past ten years, but many are not receiving basic health care like immunizations. Second, the program has had difficulty attracting quality administrators and good teachers. Nationwide, Head Start teachers earn on average \$16,000 a year and aides \$8,000. Third, many Head Start facilities are inadequate for education and childhood development.

POLICY CHANGES

Several new approaches should be tried to improve Head Start. First, we need to encourage local agencies to experiment and find effective ways to maximize and sustain gains among Head Start participants. In some areas, Head Start coordinates with other programs to provide a full day of care. One Head Start unit has developed a program for preschool through third grade. Second, we can encourage Head Start parents, where needed, to seek job-training and drug rehabilitation. Many Head Start children come from single-parent homes, and are at serious risk of growing up in poverty and experiencing problems in school if parental involvement is not emphasized. Third, we need to improve the quality of Head Start teachers. Many of them are very dedicated. Good teaching is essential to good education, and better compensation will attract better teachers. Fourth, we must make sure federal dollars are well spent. My view is the concept of Head Start is a good one, but the evidence that many of the programs are poorly administered and unsuccessful gives me pause. I believe that local agencies are in a better position than Washington to know what's best for their communities, but we must do a better job monitoring Head Start programs for wasteful management.

CONCLUSION

Head Start is not a panacea for the years a disadvantaged child spends in poor health and housing, with little or no intellectual stimulation, and only the prospect of advancing to poor schools and confronting the disintegration of their families and neighborhoods. But, it makes sense to me to give poor preschoolers basic lessons, food, and medical services. There is solid evidence that a well-run Head Start program can give these children a boost to success in school

and community. The challenge is to build on the gains of Head Start, make improvements where weaknesses in the program have developed, and to fund the program adequately. This is a program which can work—if we use it properly.

AMERICAN JOBS PROTECTION ACT INTRODUCED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. FORD of Michigan. Mr. Speaker, yesterday I reintroduced the American Jobs Protection Act, a bill to discourage employers from moving production to low-wage foreign countries. It would require businesses, that stand to reap huge profits, to compensate abandoned American workers for their lost wages, lost security, and lost careers. And it would do so without adding a penny to the Federal budget.

American manufacturers moved millions of jobs abroad in the 1980's. In Michigan, the Big Three slashed employment in the United States by shifting jobs to Mexican maquiladoras. The shift has cost more than 75,000 jobs in the auto and auto parts and supplier industries.

Since I introduced this bill originally in 1991, thousands of jobs have migrated abroad, and millions more are at risk. Labor economists and other experts estimate that 6 to 8 million jobs are endangered by the pending North American Free-Trade Agreement. The elimination of these manufacturing jobs ripples across the entire economy, affecting professional engineers as well as blue collar employees. Many companies, including AT&T, 3-M, and Boeing, are shifting high-skill, engineering and professional work to foreign countries.

It is hard to overstate the cost of these job losses. One person's lost livelihood is a tragedy. But the moving of a plant across the border destroys a community.

Businesses often use the availability of low foreign wages and labor standards to extract concessions from employees and unions. A 1992 Wall Street Journal poll of large American companies indicated that at least one in four were likely to use NAFTA as a bargaining chip to hold down wages in the United States.

At Zenith, then the only remaining American television manufacturer, 1,600 manufacturing workers in Springfield, MO, took an 8.1-percent wage cut and a 5-year contract when the company threatened to move production to Mexico. Four years later, Zenith decided to move most of the remaining jobs to Mexico anyway. Such practices destroy the trust and cooperation essential for workers and management to compete globally.

The American Jobs Protection Act would require an employer to notify its workers 6 months in advance of job transfers to a country whose wages are no more than half the U.S. average or whose labor standards are substantially below those in the United States. The business would be required to give employees 4 weeks severance pay for each year of service; continue health care benefits for 18 months; provide up to \$10,000 reimbursement for retraining, job search, and relocation expenses; and credit 5 years of service toward retirement benefits. The company also would be required to return applicable tax abate-

ments or other economic incentives granted by States and localities.

In today's global economy, a nation's physical assets matter little, and capital crosses borders at the press of a computer keyboard. That leaves the labor force as a nation's most important productive resource. America can choose between two competitive strategies. We can invest in the education and training of our people, to create high-productivity, high-wage jobs. Or we can drive down labor costs.

We cannot win with cheap labor, nor would we want to. We would only drive down our own living standards, making us unable to afford the products still produced here.

The American Jobs Protection Act would enhance the better choice for global competitiveness. By penalizing companies who see employees only as a labor cost to be minimized, we hope to encourage them to invest in their workers.

NAFTA advocates say American jobs will move to Mexico—or elsewhere—regardless of the fate of the treaty. If so, then the need for the American Jobs Protection Act is all the greater. We should not accept the destruction of our manufacturing base.

Companies should not be able to escape the economic mess they leave behind scot-free. Taxpayers should not be forced to pick up the tab for managers motivated by cold, bottom-line interest, a tab that includes: unemployment benefits, worker medical treatment, and job retraining costs. As we argue over ways to reduce the deficit, the American Jobs Protection Act would ensure that the only winners of the low-wage strategy—the businesses embracing foreign labor—pay part of the cost.

When the House debated budget reconciliation, some said the issue was jobs, that we could afford no further losses. I agree. That is why I urge my colleagues to cosponsor the American Jobs Protection Act.

HONORING KENTUCKY'S LITTLE LEAGUE CHAMPIONS

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. ROGERS. Mr. Speaker, I urge my colleagues to join me today in saluting Kentucky's 1992 Little League State champions. The team is from Corbin, in my home district, the 5th Congressional District of Kentucky.

The players and coaches of the Corbin team deserve our congratulations for not only winning the State championship, but for successfully working together as a team.

Whether it be in the workplace, at school, or on the ballfield, the ability of individuals to work together as a team is essential to being successful. Based on their success on the baseball field, I believe we'll be hearing again somewhere down the line from the members of the 1992 Kentucky Little League State champions.

Players.—Mondo Cima, Matt Maguet, Tim Massengill, Josh Reedy, Charlie Hutton, Sam Miller, Jerry Baker, Rick Jones, Derek Turner, Mike Jamison, Chad Mouser, Marcus Cima, Brandon Lloyd, and Chris Disney.

Coaches.—Alan Martin, Rick Jones, Dwayne Barton, and Diane Jones (scorekeeper).

A TRIBUTE TO CLIFTON HIGH SCHOOL STATE SOFTBALL CHAMPIONS

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay special tribute to the Clifton High School softball team of Clifton, N.J. After a season of highs and lows, their season culminated with a 7-1 triumph over Washington Township at Trenton State College. This victory won them their first New Jersey State Interscholastic Athletic Association Group Four title.

The Clifton Mustangs—25-7—were successful due to the leadership and teamwork exhibited by all the players. Their strength was demonstrated as they maintained a steady lead throughout the game. Dana DeVito had an outstanding game as she pitched a one-hitter which made the team's defense invincible. On the offense, the big run-scoring hits of the day were Wendy Pavlicek's triple, Becky Thompson's double, and Cara Kling's single.

Mr. Speaker, I ask my fellow colleagues to join me in congratulating the coach, Rick LaDuke, the girls softball team members, and their supporters at Clifton High School on becoming New Jersey State Interscholastic Athletic Association Group Four champions.

TRIBUTE TO WILLIAM HODSON SENIOR CENTER

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to the William Hodson Senior Center, a South Bronx institution which opened its doors 50 years ago this October to become our Nation's first senior center.

Named for a New York City welfare commissioner who died during a rehabilitation-technical assistance mission to Africa, the William Hodson Center was established by the New York City Department of Welfare to bring specialized services to the city's elderly population.

Mr. Speaker, before the establishment of the Hodson Center, the needs of elderly people were not a matter of great public concern. Some of our elderly population were able to live out their days in old age homes, and some States had modest old age assistance programs.

The great innovation of the Hodson Center was that it promoted the independent lifestyle of members of the elderly community by providing them with a central location to congregate, socialize, and receive the guidance and assistance they need to cope with the special problems that accompany advanced age.

From its humble beginnings in an unused office in the Old Bronx Boro Hall, the Hudson Center has grown, and now thrives, in the 15,000 square feet of space in the Claremont Village housing development it has occupied since 1964. The Hodson Center now has some 700 active members, and despite the ever-present strain of funding shortfalls, re-

mains a lively part of its South Bronx community.

Much of the Center's success must be attributed to Gertrude Landau, the Hodson Center's first executive director and an energetic and outspoken member of its board of directors since 1977. I would also like to mention the Hodson Center's current executive director, Tecla Y. Brown, whose tireless efforts continue to make the Hodson Center a vital resource not only for the elderly of the South Bronx, but for a number of people who travel from as far away as New Jersey to participate in its programs.

Mr. Speaker, in the half century since the founding of the Hodson Center, 12,000 additional centers have come into existence to serve more than 7 million persons in the United States every year. While I take special pride in the history and achievements of the William Hodson Senior Center, I am also grateful for the efforts of dedicated individuals nationwide who help make our golden years ones to truly treasure.

MARGARET NOVACK HONORED

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. TOWNS. Mr. Speaker, I rise to recognize Ms. Margaret Novack. Ms. Novack has been a key member of the department of Starrett at Spring Creek for more than 10 years. Primarily, Ms. Novack serves as that office's school liaison initiating and coordinating programs which have enriched the lives of thousands of children throughout the Starrett community.

Under her guidance, the management of Starrett provides to the students at PS 346 and IS 364, many special supplemental educational programs. These programs have consistently stressed supplemental education and cultural enrichment by utilizing a hands-on approach to learning.

Ms. Novack has also been instrumental in organizing a variety of afterschool programs for the children of Starrett. They include an environmental club, a chorus, an orchestra's club, and a dance club. More than half the students at IS 364 participate in one or more of these afterschool clubs.

For the older students of the community, Ms. Novack administers the Starrett at Spring Creek scholarship program through which four outstanding high school students from the community receive 4-year college scholarships worth \$4,000 per year. Also, for high school students throughout the region, Margaret coordinates a college fair in which more than 70 colleges and universities annually participate. Under Margaret's guidance, Starrett offers to high school seniors a free preparatory course for the Scholastic Aptitude Test.

An employee of Starrett City, Inc., for more than 12 years, Margaret began her career as a secretary and rose to her current position as assistant director of community relations.

THE BUDGET RECONCILIATION BILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 2, 1993, into the CONGRESSIONAL RECORD:

THE BUDGET RECONCILIATION BILL

Last week the House passed the budget reconciliation bill containing the major elements of the Clinton economic plan: genuine deficit reduction, through spending cuts and progressive tax increases, and increased investment to create jobs and strengthen the economy. The plan is not perfect. We can and will improve it this year and in years to come. But it does put the nation's fiscal health on a path to restoration.

OUTLINE OF PACKAGE

This package contains significant tax increases and entitlement cuts—with two-thirds going for deficit reduction and one-third for investments. On the tax side, the bill increases the burden on wealthy individuals by increasing their income tax rates and medicare payroll taxes, and, for the wealthiest 20% of retirees, taxing more of their social security benefits. It raises the top corporate tax rate, reduces business tax deductions for meals and entertainment, and imposes a new broad-based energy tax. To encourage economic growth, the bill makes permanent the research tax credit, provides more generous depreciation, and increases to \$25,000 the deduction for equipment purchases by small businesses and farmers. It also protects the working poor by expanding the earned income tax credit and provides new tax incentives for economically distressed areas. On the spending side, the bill curbs federal employee pay and retirement benefits, reduces the federal workforce, replaces the current guaranteed student loan program with a direct loan program, and trims medicare spending, primarily through cutting back payment increases to hospitals and physicians. At the same time, it expands food stamp benefits and childhood immunizations.

DEFICIT REDUCTION

Overall, the various provisions in the reconciliation bill yield a net tax increase of \$250 billion over five years and net entitlement reductions of \$87 billion. The package also contains provisions to freeze discretionary spending at current levels through 1998, thereby saving \$102 billion. These changes, combined with lower interest payments on the national debt, make up the \$496 billion in deficit reduction the President has called for over the next five years.

Although this is the largest deficit reduction in history, it would be a mistake to think it will balance the budget. Without this bill, or something similar, the deficit is projected to grow from the current \$302 billion to \$360 billion in five years and \$800 billion in ten years—basically gobbling up the nation's private savings and mortgaging our future. So something has to be done. The reconciliation bill is projected to bring the deficit down to \$202 billion by 1998—a 40% reduction—and to reduce the deficit as a share of Gross Domestic Product from 4.6% to 2.6%.

TAX INCREASES

The public focus on the package has all been on the tax side—partly because the spending cuts, though significant, were ac-

cepted by different factions in Congress, but also because of the public's extreme sensitivity to tax increases. Increasing taxes is certainly not easy to do politically. But there are no painless answers, and we cannot get an agreement on a package of only spending cuts.

This package restores some tax equity lost in recent years, calling for the greatest sacrifice from those most able to pay. Those families making less than \$29,000 will on the average pay less in taxes under this plan (as the earned income tax credit offsets the energy tax increase). Those making between \$40,000 and \$200,000 will see their overall taxes go up about 1/4 of 1%, while those with incomes above \$200,000 will see their effective tax rate increase almost 5%. Overall, some 75% of the net tax increases in the package fall on the 6% of Americans making above \$100,000.

Even though middle-income people may be paying some more taxes, they will receive significant benefits from the reconciliation package—the most important being lower interest rates. Interest rates have come down in recent months on the expectation that President Clinton and Congress would reduce the deficit. That translates into lower loan payments for individuals—financing a median-priced home at 7% instead of 8% will save about \$800 a year—and lower operating expenses for businesses. Most economists expect a typical middle-income family to save more in interest payments as a result of this plan than they would pay in increased taxes.

SPENDING REDUCTIONS

A major drawback of the package from my perspective is that it does not go far enough in cutting federal spending. We need to redouble our efforts to find cuts in federal programs, and in particular we need to focus on the rapid growth in Medicare and Medicaid. Federal spending on health care was \$68 billion in 1990 and is projected to reach \$561 billion by the year 2000. The rapid growth in federal health care expenditures, far outstripping the rate of inflation, is basically what makes the budget deficit outlook so bleak.

The reconciliation bill does include cutbacks in Medicare and Medicaid spending, as well as a provision to put a lid on entitlement growth—by requiring the President and Congress to annually confront any spending on entitlement programs in excess of target levels. President Clinton plans to address runaway health care costs in his health care reform package expected soon. The long-term outlook for deficit reduction hinges on whether that package can curb the relentless growth in federal health care expenditures.

CONSEQUENCES OF DEFEAT

Overall, the reconciliation bill considered by the House was not my ideal package and I do not agree with everything in it. But I voted for it because I believe we must end the gridlock and get our economic house in order. I was deeply concerned about the consequences of its being defeated. No other alternative came even close to getting majority support. So the choice came down to this bill or a continuation of past policies with resultant exploding deficits and economic stagnation. The vote was basically a test of whether the President and Congress can govern. Failure to pass the President's economic program would send a message both here and abroad that our fiscal policy is out of control and that no agreement can be reached. The alternative would be to drift and to sink. The financial markets would have reacted adversely and interest rates would have gone up.

House passage of the bill means that the process goes forward. We must continue to

work hard to improve it, reducing the tax increases and cutting spending more. Changes may be made on the Senate side and difficult hurdles lie ahead, but at least a start has been made on cutting spending, distributing more fairly the burden of taxes, reversing the upward trend in the deficits, and expanding public and private sector investments to strengthen the economy and create jobs.

DISPELLING PROTECTIONIST MYTHS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1993

Mr. CRANE. Mr. Speaker, as most of my colleagues know, I am a strong proponent of free trade. Free trade policies, originally promulgated by the United States, have made our country the world's greatest marketplace while increasing living standards for all nations. Maintenance of this tradition is necessary to keep not only our own economy growing but also that of the free world.

Unfortunately, the argument against free trade is riddled with false information and unsupported arguments perpetuated by protectionists in Congress and the media. In order to clear up the confusion, I offer my colleagues the following article by Walter E. Williams, the John M. Olin Distinguished Professor of Economics at George Mason University, who succinctly and accurately dispels the most common protectionist myths. I highly recommend its reading.

[From Reader's Digest, May 1993]

WHAT TRADE LAWS COST YOU

(By Walter E. Williams)

I will never forget my visit to a South Carolina plant of Milliken & Co., the textile giant. Chairman Roger Milliken had just launched a well-publicized "Buy American" campaign, proclaiming that "cheap" foreign imports were a major threat to industry and jobs in this country.

What impressed me most during my plant tour was that so many of Milliken's knitting and spinning machines were made in Belgium, France and Japan. When I pointed this out, one of the executives guiding me shrugged. He said that, of course, Milliken shopped all over the world to get the best machines at the best price. "Exactly," I responded. "Everybody wants to get the best deal, whether buying plant machinery in France or a new dress from Kmart. And sometimes the best deals—like your machines—come from overseas."

Milliken continues to lead efforts to restrict textile imports—while the company benefits from the efficiency of imported textile machinery.

That kind of economic doublethink is pervasive today. But the fact is that trade is simply two or more parties getting together to obtain the best deal possible, whether it's you and your supermarket or a Caribbean sugar grower and a U.S. candy maker. Tariffs, quotas and other trade barriers result when powerful groups use political muscle against unorganized buyers. They "protect" sellers from competition and prevent you from buying what you want.

Voluntary, peaceful exchange among citizens of a country is a blessing. Why should it be any different when such commerce takes place across international boundaries? Remember, countries don't trade—people do. The United States doesn't buy Toyotas or

Buicks—you do. And you pay too much for cars, clothes and food because myths about international trade continue to influence politicians, the press and public opinion. It's time to debunk these fallacies:

Myth 1: The United States plays fair on trade issues, but other countries play dirty.

The U.S. tariff code lists duties on 8862 items—from goat cheese to tarpaulins, trucks and teachups. While our nation is a freer market for foreign goods than most, this vast catalogue of special interests sheltered from competition shows we are far from truly free. In the late 1980s, when the Institute for International Economics studied the matter, U.S. consumers spent an extra \$80 billion a year on domestic and imported goods because of tariffs and quotas—more than \$1000 per family.

You pay more for polyester sweaters from South Korea (a tariff of over 34 percent), strawberries from Canada, door locks from Taiwan. Studies in the 1980s estimated that trade restrictions added more than \$1000 to the price of each Japanese car sold in the United States.

Higher prices and restricted availability of foreign goods also jack up prices on American goods. You pay more for a broom because foreign-made brooms can be tariffed at a hefty 32 percent. You pay more for candy bars, soft drinks and many processed foods because, while sugar is sold on the world market for about eight cents a pound, American confectioners must pay an additional 13 cents in tariffs and fees.

Trade restrictions have at times added an estimated \$1000 to the price of each American-made car, because "protected" U.S. manufacturers saw higher, tariff-related Japanese prices as an opportunity to raise their own.

Trade meddling hits lower-income families hardest. Low-priced shoes and clothing are among the items most heavily affected by tariffs and other restraints. If a pair of kid's sneakers can be produced for three dollars, they are hit with a 48-percent tariff, while sneakers costing \$12 and up are tariffed at 20 percent.

Myth 2: Protectionism preserves American jobs.

The Davis Walker Corp. of Los Angeles was once among the largest independent steel-wire producers in the United States. It offered high-quality wire at competitive prices partly because it bought its raw material—steel rods—where it could get the best deals. But in 1984 and 1985 the Reagan Administration caved in to the steel industry's cries for protection from "cheap" foreign steel, and imposed import restrictions on foreign steelmakers.

Davis Walker, which had other financial troubles, was forced to buy 60 percent of its steel from domestic producers at higher prices. Canadian and overseas competitors, under no such constraints, were able to underprice Davis Walker. The company sold plants in Houston, Dallas, New Orleans and Memphis, closed others in Colorado and Mississippi, and finally filed for protection from its creditors under Chapter 11 of the Bankruptcy Code.

The myth that protectionism can save jobs is difficult to support. Arthur T. Denzau of St. Louis's Washington University found that restrictions on imported steel in the 1980s saved 17,000 jobs in the steel industry and among its suppliers. But the higher prices that resulted led to the loss of 52,400 jobs in American steel-using industries. For every job "saved," three were lost.

An even broader study was conducted at the Brookings Institution by economists Robert Z. Lawrence and Robert E. Litan, who surveyed 16 major U.S. industries receiving protection from 1950 through 1986.